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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 000191

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TAGS: PGOV LH

SUBJECT: STATE SECURITY CHIEF'S RESIGNATION: IT AIN'T OVER

TIL IT'S OVER

REF: 06 VILNIUS 1136 AND PREVIOUS

Classified By: Pol/Econ Section Chief Rebecca Dunham for reasons 1.4 (b) and (d).

- 11. (C) Summary: A March 15 parliamentary vote rejected the resignation of State Security chief Arvydas Pocius, despite a previous decision by the same body that he was not capable of doing the job. Pocius remains in the job, but his position is weak and probably untenable. End Summary.
- 12. (U) In a March 15 vote that shocked most political observers, the Seimas (parliament) rejected the resignation of State Security Department (VSD) chief Arvydas Pocius. As reported reftel, Pocius submitted his resignation in late December after a highly politicized Seimas investigation. That probe concluded that Pocius was "not capable of suitable organization of VSD work and heading the department."
- 13. (C) Pocius appeared before the Seimas for what was expected to be a pro forma vote accepting his resignation. President Adamkus had already nominated his successor (current Special Investigations Service head Povilas Malakauskas), who was literally waiting in the wings to address the Seimas and answer MPs' questions. Before the vote, however, Pocius addressed the Seimas, making provocative allegations aimed at those who were most outspoken in calling for his resignation.
- 14. (U) Pocius's first allegation concerned the sale of Lithuania's Mazeikiu Nafta refinery in 2006. He claimed that VSD had discovered that "current or former traitors within VSD" had leaked information to an "unfriendly neighboring country" during the time when Poland's PKN Orlen was negotiating to buy the refinery. His description of the source of the leak appears to be aimed at the two VSD counterintelligence officers who were fired, most observers assume, for leaking information to the Conservative party.
- 15. (U) His second allegation concerns still-unsolved crimes related to a militia "uprising" in the early-nineties. Pocius said that he had been approached by certain politicians who told him that he should not expect their support because of his investigation into then-Conservative MP Algirdas Petrusevicius. (Petrusevicius was convicted of illegal arms possession and arms trading in 2006.) In his remarks, Pocius also seemed to link Petrusevicius and the Conservative party to several unsolved crimes related to the militia uprising, including the blowing up of a railroad bridge near Trakai and the murder of former VSD officer Juras Abromavicius.
- 16. (U) Pocius's final allegation was that Algimantas Matulevicius, Chairman of the Seimas National Security and Defense Committee (which conducted th investigation of VSD that led to Pocius's resignation) had been a KGB agent during the Soviet occupation. Pocius argued that this was the reason that he decided not to share certain classified

material with the Chairman, arguing that Matulevicius had not declared his KGB past, making him ineligible to hold a security clearance.

¶7. (U) Pocius's defiant speech, and the vote not to accept his resignation, came as a shock to most observers. Part of the outcome can be explained by the low participation rate (barely half of all MPs). But the decision by a large block of Labor Party MPs to vote against accepting Pocius's resignation or to abstain (which, in this case, is effectively the same thing) clearly turned the tide. Labor Party Chairman Kestutis Dauksys told the media that his party group had gone into the plenary session planning to accept the resignation, but then "decided spontaneously" to let Pocius stay in his position in order to finish investigating the famous cases he mentioned in his speech.

## Comment

18. (C) After the tempestuous fall session of the Seimas, most in the political class seemed ready to move on. That is not going to happen yet. For the moment, Pocius remains head of VSD; President Adamkus, who likes and respects Pocius, signed a decree March 16 withdrawing his nominee to replace him. But Pocius's position is tenuous at best. He seems intent on a counterattack against the Conservatives who pushed so hard to have him removed in the fall. Although his strategy may be understandable, it will not make relations with the parliament any easier. Additionally, the Conservatives, whose political position has been strengthened here by recent municipal elections, have threatened to end their support of the Social Democrat-led minority government because of the vote. While this would not cause the government to fall (the

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Conservatives are not formally a part of the coalition), it could complicate VSD-Seimas relations further, and more importantly, impair the government's ability to achieve any of its legislative objectives. Finally, the Labor Party, which saved Pocius this time, probably has no interest in protecting him over the long haul. It is far more likely that Labor, which did poorly in recent municipal elections, was attempting to flex its remaining political muscles and prove that it still has influence in the Seimas. CLOUD